

Freddie Mac HFA AdvantageSM /Upfront Paid Mortgage Insurance (UPMI)

Combine with Start Up, MCC (with First Mortgage) or Step Up programs



Product Description

Freddie Mac's HFA AdvantageSM conventional product allows 97% loan-to-value (LTV) ratios with low mortgage insurance coverage requirements, and must be layered with a Minnesota Housing Mortgage Loan Program. This product description summarizes Minnesota Housing guidelines, and Freddie Mac and U.S. Bank overlays required for loan eligibility. Lenders are also responsible for meeting all program guidelines ([Start Up](#), [MCC \(with First Mortgage\)](#) or [Step Up](#)), underlying product guidelines and U.S. Bank overlays. Where terms differ, the more restrictive terms apply.

PARAMETERS	HFA ADVANTAGE SM REQUIREMENTS			
Eligible Minnesota Housing Programs	Start Up, MCC (with First Mortgage) and Step Up			
Loan Terms	<ul style="list-style-type: none">Fully-amortizing30-year termFixed Rate			
Eligible Occupancy	Owner-occupied			
Mortgage Insurance	LTV and MI Coverage Percentage			
	> 95% and <= 97%	> 90% and <= 95%	> 85% and <= 90%	> 80% and <= 85%
	18%	16%	12%	6%
	Loans with an LTV > 95 up to ≤ 97% must use an MI company posted on U.S. Bank’s Allregs website.			
Eligible Property Types	<ul style="list-style-type: none">One unit, single-familyPlanned unit developments (PUD)Approved condos			
Ineligible Property Types	Multi-unit, CLT’s, manufactured housing or co-ops			
Ownership of Property	Borrower may not have an ownership interest in any other residential dwelling at the time of closing. (A manufactured home, regardless of the type of property ownership, is considered a residential dwelling for this purpose. Ownership in a timeshare is not.)			
Income Requirements	Minnesota Housing’s Start Up/MCC/Step Up income limits			
Minimum Credit Score/ Maximum DTI	LTV ≤ 95%			
	<ul style="list-style-type: none">640 FICO/45% DTI (LP®)660 FICO/50% DTI (LP®)Purchase – 660 FICO/50% DTI (DU®)Refinance – 680 FICO/50% DTI (DU®)			
	See Manual Underwriting section for more restrictive requirements.			
	LTV > 95 up to ≤ 97%			
	<ul style="list-style-type: none">680 FICO/45% DTI (LP® and DU®)			
Maximum CLTV	105%			
Loan Prospector® (LP®)	You must receive an LP® recommendation of “Risk Class Accept” and you may ignore a “000 Freddie Mac Ineligible” with the only purchase restriction due to income limit requirements (loan must meet HFA income guidelines).			
Desktop Underwriter® (DU®)	<ul style="list-style-type: none">Must have DU® “Approve/Eligible” recommendationPurchase – requires minimum 660 FICORefinance – requires minimum 680 FICO			

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PARAMETERS	HFA ADVANTAGE SM REQUIREMENTS
Manual Underwriting and Non-Traditional Credit	Allowed as long as at least one borrower has a credit/indicator score of 640 with a Risk Class of Accept AND the LTV is less than or equal to 95%
Minimum Borrower Contribution	\$1,000 or 1% of the purchase price, whichever is less, if receiving Minnesota Housing downpayment and closing cost loan
Downpayment and Closing Cost Loans	Refer to Start Up, MCC (with First Mortgage) and Step Up program descriptions
Reserves	None
Maximum Seller Contributions/ Interested Party Contributions	<ul style="list-style-type: none"> • 3% max for CLTV greater than 90% • 6% max for CLTV less than or equal to 90%
Homebuyer Education	Required of at least one borrower, if <u>all</u> borrowers are first-time homebuyers.
Special Feature Code (SFC)/Offering Identifier	<ul style="list-style-type: none"> • DU[®] SFC 741 and SIC 088 • LP[®] Offering Identifier code 251
Underwriting Guidelines	Unless otherwise stated in this product description or a U.S. Bank MRBP bulletin, refer to Freddie Mac Home Possible [®] underlying product guidelines.
Conventional Loan Delivery Fees	Zero LLPA (Loan Level Price Adjustment)
PARAMETERS	UPFRONT PAID MORTGAGE INSURANCE (UPMI) REQUIREMENTS
Product Guidelines	Refer to the HFA Advantage SM product guidelines contained in this product description. The most restrictive terms apply.
Minimum Credit Score	720 FICO
Non-Traditional Credit	Not allowed
Eligible Properties	Single-family, PUD
Ineligible Properties	Duplex, multi-unit, manufactured housing, co-ops, CLT
Minnesota Housing Commitment System	<ul style="list-style-type: none"> • Under "Allotment Name," choose "Conventional Insured (+ applicable program name)." • Under "Allocation Name," choose "Fannie/Freddie Upfront Paid MI" (+ DPA type, if applicable). • In the "Other" tab, choose Freddie from the drop-down menu.
Special Feature Code (SFC)/Offering Identifier	<ul style="list-style-type: none"> • DU[®] SFC 741 and SIC 088 • LP[®] Offering Identifier code 251
Service Release Premium (SRP)	Unused UPMI SRP must be credited to the borrower for closing costs.

